

REMARKS

Claims 98-108, 110, 111 and 138-151 were previously pending, claims 112-137 were previously withdrawn, and claim 9 was previously cancelled in this application. Applicants respectfully request reconsideration of the instant application in the view of the foregoing amendments and/or the following remarks. By this Response, Applicants have amended claims 98, 110, 138, 148, 149 and 151 to provide clarification and/or correct minor typographical informalities. Applicants submit that support for the amendments may be found throughout the originally filed specification, drawings and claims, and that no new matter has been added by way of this Response. Applicants further maintain that the original claims are allowable and explicitly reserve the right to add/pursue the original claims later and/or in one or more continuation and/or divisional applications. Claims 112-137 were previously withdrawn and claims 98-108, 110, 111 and 138-151 are currently pending.

Rejection under 35 U.S.C. § 102

Claims 98, 100-102, 104, 107, 108, 138-141, 143-145, 148 and 150-151 have been rejected under 35 U.S.C. § 102(e) as allegedly being unpatentable over Fisher et al., U.S. Patent no. 5,835,896 (hereinafter, "Fisher"). Applicants respectfully traverse this rejection and submit that a *prima facie* showing of anticipation has not been made and that the applied reference fails to discuss or render obvious every element of each pending claim.

In the November 12, 2008 Office Action, the Examiner alleges

"[w]ith respect to claim 98, Fisher discloses a system, comprising: ... take an action to deter the customer from submitting multiple conditional purchase offers for said goods or services, wherein said action includes limiting additional conditional purchase offers containing a progressively increasing unit price (col. 7, lines 54-57, *the bid validator*, col. 8, lines 5-9, *closing the auction disables the bids which limits the addition of increasing bid prices*,

and see col. 9, lines 29-31, proxy bidding will allow the system to bid up to a certain amount for a bidder, but once the limit has been reached then no further increasing bid amounts will be allowed from the bidder.) [November 12, 2008 Office Action, p. 4, § 4, original emphasis]

Applicants respectfully traverse these arguments and submit that Fisher does not discuss or render obvious at least "take an action to deter the customer from submitting multiple conditional purchase offers for said goods or services," as recited in independent claim 98.

Fisher's bid validator "ensure[s] that the bid is properly formatted, all necessary data is present, and the data values entered look credible" (Fisher, col. 7, lines 55-57). Fisher goes on to describe exemplary functions of the bid validator such as, "verifying credit card information entered by the customer, checking that a complete name and shipping address has been entered, that the proper state abbreviation and zip code have been entered, that an appropriate bid amount has been entered, and that a telephone or facsimile number has been entered" (Fisher col. 7, lines 58-63). Applicants are unclear as to how the Examiner believes Fisher's bid validator, which checks for formatting and content errors in submitted bids, allegedly discusses the claim element or renders it obvious. Applicants submit that checking for proper data formatting and completeness in no way anticipates "take an action to deter the customer from submitting multiple conditional purchase offers for said goods or services," as recited in independent claim 98.

Applicants further submit that closing an auction also does not anticipate the claim element. Fisher describes closing an auction "after a period of no bidding activity, at a predetermined time, or when a desired sales volume is reached" (Fisher, col. 7, lines 18-20). The fact that an auction in Fisher's system is not perpetually left open does not anticipate "take an action to deter the customer from submitting multiple conditional purchase offers for said goods

or services," as recited in independent claim 98. In fact, Fisher's system specifically and expressly admits multiple bids by customers as long as an auction is open. For example, Fisher describes using electronic mail for "keeping them [customers] informed about the status of merchandise on which they are actively bidding," and permitting customers to include "an increased bid amount in the reply message" (Fisher, col. 8, lines 22-27).

In another example, Fisher describes incremental proxy bids implemented by Fisher's system, whereby the "auction manager will increase the bid as necessary up to the limit amount by a preset bid increment" (Fisher col. 9, lines 23-28). Applicants are unclear as to why the pending rejection believes Fisher's proxy bids, described near col. 9, lines 29-31 of Fisher, allegedly anticipate the claimed "take an action to deter the customer from submitting multiple conditional purchase offers for said goods or services," as recited in independent claim 98, when they not only fail to deter submission of multiple bids but actually encourage them by providing a facility specifically designed to allow submission of multiple, incrementally increasing bids. The fact that the buyer can set a cap for his incrementally increasing bids (see, Fisher, col. 9, lines 20-22: "auction manager 26 to automatically bid on the bidder's behalf up to a limited amount established by the bidder," emphasis added) does not anticipate "take an action to deter the customer from submitting multiple conditional purchase offers," as recited in independent claim 98. Fisher's system is taking no "action to deter", but merely honoring the bid limit set by the buyer. Furthermore, Applicants respectfully disagree with the Examiner's argument that "once the limit has been reached then no further increasing bid amounts will be allowed from the bidder" (November 12, 2008 Office Action, p. 4, § 4). Applicants see nothing in Fisher that suggests that a buyer would not be permitted by Fisher's system to raise his bid limit and initiate a new round of incrementally increasing bids, should the first bid limit be reached. Should the

Examiner maintain the rejection, Applicants respectfully request clarification as to how and specifically where the Examiner believes Fisher discusses that "once the limit has been reached then no further increasing bid amounts will be allowed from the bidder," as stated in the pending rejection. However, regardless of whether a second round of incrementally increasing bids are allowed, Applicants submit Fisher's system clearly encourages submission of multiple, incrementally increasing bids.

Though Applicants submit that a *prima facie* showing of anticipation has not been made and that Fisher fails to discuss or render obvious every element of pending claim 98, Applicants have amended claim 98 to provide clarification and better track commercial implementations. Amended independent claim 98 recites, *inter alia*, "wherein said action includes restricting additional conditional purchase offers containing a progressively increasing unit price." Applicants submit that the pending rejection has over-generalized the applied reference, and that Fisher fails to discuss or render obvious at least these elements of independent claim 98. In particular, Applicants submit that neither verifying proper bid formatting and completeness, nor ending an auction, nor providing a facility for customers to automatically submit incrementally increasing bids are analogous to "take an action to deter the customer from submitting multiple conditional purchase offers for said goods or services, wherein said action includes restricting additional conditional purchase offers containing a progressively increasing unit price," as recited in amended independent claim 98. Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejections. Should the Examiner maintain the rejection, Applicants respectfully request clarification as to specifically how the Examiner believes the data formatting validation facility of the bid validator is allegedly analogous to "an action to deter the customer from submitting multiple conditional purchase offers," as recited in

independent claim 98. Applicants also respectfully request that the Examiner clarify specifically how he believes terminating an auction (i.e., not allowing it to continue perpetually into the future) allegedly anticipates "restricting additional conditional purchase offers containing a progressively increasing unit price," as recited in independent claim 98. Applicants also respectfully request that the Examiner clarify specifically how he believes Fisher's proxy bid facility, which explicitly empowers customers to submit multiple, incrementally increasing bids, allegedly anticipates, "restricting additional conditional purchase offers containing a progressively increasing unit price," as recited in independent claim 98.

Although of different scope than claim 98, Applicants submit that claim 138 is not anticipated by Fisher for at least similar reasons as discussed above identifying deficiencies in Fisher with regard to independent claim 98. For example, amended claim 138 recites, *inter alia*:

A system comprising:

...
take an action to deter the customer from submitting a second conditional purchase offer with an increased offer unit price for said goods or services within a predetermined period of time after transmitting a rejection of said first conditional purchase offer, wherein said action includes restricting additional conditional purchase offers containing a progressively increasing unit price.

Applicants respectfully submit that at least these claim elements from independent claim 138 are not anticipated by Fisher, which describes facilities to encourage submissions of multiple, incrementally increasing bids, as discussed above. Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejections. Should the Examiner maintain the rejection, Applicants further request additional clarification as to how and specifically where the Examiner believes Fisher allegedly discusses "a predetermined period of time after transmitting a rejection of said first conditional purchase offer" and "an action to deter the customer from submitting a second conditional purchase offer ... within a predetermined period of time after

transmitting a rejection of said first conditional purchase offer," as recited by independent claim 138.

Although of different scope than claim 98, Applicants submit that claim 148 is not anticipated by Fisher for at least similar reasons as discussed above identifying deficiencies in Fisher with regard to independent claim 98. For example, amended claim 148 recites, *inter alia*:

A system comprising:

...
take an action to deter the customer from submitting multiple conditional purchase offers for said goods or services, wherein said action includes restricting additional conditional purchase offers containing a progressively increasing unit price based on an unacceptable conditional purchase offer.

Applicants respectfully submit that at least these claim elements from independent claim 148 are not anticipated by Fisher, which describes facilities to encourage submissions of multiple, incrementally increasing bids, as discussed above. Applicants further submit that the pending rejection has failed to address every element of pending claim 148. The MPEP prescribes that, "when evaluating the scope of a claim, *every limitation in the claim must be considered*," [§ 2106 II(C), emphasis added] and, "*All words* in a claim must be considered in judging the patentability of that claim against the prior art." [§ 2143.03, emphasis added]. The pending rejection characterizes claim 148 as reciting "wherein said action includes limiting additional conditional purchase offers containing a progressively increasing unit price." However, claim 148 actually recited, "wherein said action includes limiting additional conditional purchase offers containing a progressively increasing unit price based on an unacceptable conditional purchase offer." Applicants submit that the pending rejection has not substantively considered "[a]ll words in [the] claim ... in judging the patentability of that claim against the prior art," as required by MPEP § 2143.03. Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejections. Should the Examiner maintain the rejection, Applicants respectfully

request clarification as to how and specifically where the Examiner believes Fisher allegedly discusses "wherein said action includes restricting additional conditional purchase offers containing a progressively increasing unit price based on an unacceptable conditional purchase offer," as recited by independent claim 148.

Although of different scope than claim 98, Applicants submit that claim 150 is not anticipated by Fisher for at least similar reasons as discussed above identifying deficiencies in Fisher with regard to independent claim 98. For example, claim 150 recites, *inter alia*:

A system comprising:

...
take an action to deter the customer from submitting multiple incremental conditional purchase offers for said goods or services to prevent the customer from identifying a seller's selling price for accepting the conditional purchase offer.

Applicants respectfully submit that at least these claim elements from independent claim 150 are not anticipated by Fisher, which describes facilities to encourage submissions of multiple, incrementally increasing bids, as discussed above. Applicants further submit that the pending rejections citation to Fisher's description of a Dutch Auction implementation, (November 12, 2008 Office Action, p. 11, § 19; see also, Fisher, col. 10 line 63 to col. 11 line 20) fails to remedy the deficiencies identified in the rest of Fisher with regard to the claim element, as discussed above. For example, Fisher's Dutch Auction implementation still does not anticipate "take an action to deter the customer from submitting multiple incremental conditional purchase offers." Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejections.

Although of different scope than claim 98, Applicants submit that claim 151 is not anticipated by Fisher for at least similar reasons as discussed above identifying deficiencies in Fisher with regard to independent claim 98. For example, amended claim 151 recites, *inter alia*:

A system comprising:

...
 (ii) take an action to deter the same customer from submitting multiple conditional purchase offers for said goods or services, wherein said action includes restricting additional conditional purchase offers containing a progressively increasing price.

Applicants respectfully submit that at least these claim elements from independent claim 151 are not anticipated by Fisher, which describes facilities to encourage submissions of multiple, incrementally increasing bids, as discussed above. Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejections.

Furthermore, Applicants submit that claims 100-102, 104, 107, 108, 139-141 and 143-145, which are directly or indirectly dependent from independent claims 98 and 138, are also not anticipated by Fisher for at least similar reasons to those discussed above identifying deficiencies in Fisher with regard to the independent claims. Accordingly, Applicant respectfully requests reconsideration and withdrawal of this ground of rejections.

Rejection under 35 U.S.C. § 103

Claims 103, 105 and 142 have been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Fisher in view of Godin, U.S. Patent no. 5,890,138 (hereinafter, "Godin"); claims 106, 111, 146 and 147 have been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Fisher in view of Cathay Pacific Airways auctions, published April 29, 1996 (hereinafter, "Cathay"); claim 149 has been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Fisher in view of Godin and in further view of Cathay; and claims 99 and 110 have been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Fisher in view of Spallone, U.S. Patent no. 4,959,686 (hereinafter, "Spallone"). Applicants respectfully traverse these rejections and submit that a *prima facie* showing of obviousness has not been made and

that the applied references, taken individually or in combination, fail to discuss or render obvious every element of each pending claim.

Although of different scope than claim 98, Applicants submit that claim 149 is patentable over Fisher in view of Godin and in further view of Cathay for at least similar reasons as discussed above identifying deficiencies in Fisher with regard to independent claim 98. For example, amended claim 149 recites, *inter alia*:

A system comprising:

...
take an action to deter the customer from submitting multiple conditional purchase offers for said goods or services, wherein said action includes restricting additional conditional purchase offers containing a progressively increasing unit price.

Applicants respectfully submit that at least these claim elements from independent claim 149 are discussed or rendered obvious by Fisher, which describes facilities to encourage submissions of multiple, incrementally increasing bids, as discussed above, nor are the deficiencies in Fisher remedied by either Godin, in which buyers don't submit price bids but purchase goods as an offer price declines over time, or Cathay, which provides general descriptions of online airline sales. Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejections.

Applicants further submit that the pending rejection has not put forth a *prima facie* showing of obviousness. MPEP § 706.02(j) prescribes that a rejection under 35 U.S.C. § 103 should set forth:

- (i) the relevant teachings of the prior art relied upon,
- (ii) the differences in the claim over the applied references,
- (iii) the proposed modification of the applied references to arrive at the claimed subject matter, and
- (iv) an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made.

Applicants submit that the pending rejection has failed to properly set forth the differences in the claims over the applied references and to explain why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made by failing to provide sufficient objective rationale for modifying the references and by not providing a discussion of the level of ordinary skill in the art.

Applicants submit that the pending rejection has not provided sufficient objective rationale for the proposed modifications of the applied references. By way of example only, Applicants note that the pending rejection alleges:

It would have been obvious to one of ordinary skill in the art, at the time of the invention, to modify the system of Fisher to include the functionality of Godin, in order to authorize payment for goods or services. The suggestion/motivation is to allow security and ensure payment for goods or services rendered. (November 12, 2008 Office Action, p. 20, § 32)

Applicants respectfully submit that the alleged rationales for the proposed modifications of the references are overly general and comprise no more than the Examiner's *ipse dixit* comprising alleged advantages of the proposed modifications with no evidentiary support drawn from the prior art indicating why those advantages would have been within the capacity of one of ordinary skill in the art or why they would have led one of ordinary skill in the art to the proposed modifications. Similar rationales are provided for other proposed modifications of the references throughout the November 12, 2008 Office Action. Applicants are unclear as to how or why the Examiner believes the alleged advantages stated would have rendered the proposed modifications of the applied references obvious to one of ordinary skill in the art. The Examiner can not possibly be suggesting that the mere existence of an advantage would render an invention obviousness, and yet little more has been provided in the Examiner's alleged rationale for the proposed modifications of the applied references than recitation of alleged advantages.

MPEP §2141 (III) states, *inter alia*, "The key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious," and that, "there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." Accordingly, Applicants submit that a *prima facie* showing of obviousness has not been made and respectfully request reconsideration and withdrawal of this basis of rejection. Should the Examiner maintain the rejection, Applicants respectfully request clarification and reference to evidence drawn from the prior art supporting the Examiner's allegation that the alleged advantages of the proposed modifications would be in the capacity of one of ordinary skill in the art, and would lead one of ordinary skill in the art to the proposed modifications of the applied references.

Applicants also submit that the pending rejection has provided no indication of the level of ordinary skill in the art. MPEP § 2141 (II)(C) states, "Any obviousness rejection should include, either explicitly or implicitly in view of the prior art applied, an indication of the level of ordinary skill." The pending rejection refers to, "one of ordinary skill in the art," (e.g., November 12, 2008 Office Action, p. 20, § 32) but has provided no indication or discussion of the level of ordinary skill associated therewith. Applicants submit that the rejection's reference to "auction systems" as allegedly embodying the pertinent art is overly general and, consequently, does not provide a specific indication of the level of ordinary skill pertinent to the claimed subject matter. MPEP § 2141.03 (III) states, "The importance of resolving the level of ordinary skill in the art lies in the necessity of maintaining objectivity in the obviousness inquiry." Applicants submit that impermissible hindsight has been applied in asserting obviousness of the various claim elements without providing an indication of the level of ordinary skill and, thus, that a *prima facie* showing of obviousness has not been made.

Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejections. Should the Examiner maintain the rejection, Applicants respectfully request that, if the Examiner maintains this rejection, the Examiner discuss the level of ordinary skill in the art at the time of the invention and clarify the evidence he believes allegedly indicates that the claimed subject matter would have been within the capacity of one possessing that level of skill.

Furthermore, Applicants submit that claims 99, 103, 105, 106, 110, 111, 142, 146 and 147, which are directly or indirectly dependent from independent claims 98 and 138, are also not discussed or rendered obvious by Fisher, which describes facilities to encourage submissions of multiple, incrementally increasing bids, by Godin, in which buyers don't submit price bids but purchase goods as an offer price declines over time, or by Cathay, which provides general descriptions of online airline sales, for at least similar reasons as discussed above identifying deficiencies in the applied references with regard to the independent claims. Applicants further submit that Spallone, which describes an automated shopping order entry system, also fails to remedy the deficiencies identified above in Fisher, Godin and Cathay with regard to the independent claims. Accordingly, Applicants respectfully request reconsideration and withdrawal of this basis of rejections.

CONCLUSION

Consequently, the reference(s) cited by the office action do not result in the claimed invention, there was/is no motivation for such a combination of references (i.e., cited references do not teach, read on, suggest, or result in the claimed invention(s)), and the claimed inventions are not admitted to be prior art. Thus, the Applicant respectfully submits that the supporting remarks and claimed inventions, claims 98-108, 110, 111 and 138-151, all: overcome all

rejections and/or objections as noted in the office action, are patentable over and discriminated from the cited reference(s), and are in a condition for allowance. Furthermore, Applicant believes that the above remarks, which distinguish the claims over the cited reference(s), pertained only to noted claim element portions. These remarks are believed to be sufficient to overcome the prior art. While many other claim elements were not discussed, Applicant asserts that all such remaining and not discussed claim elements, all, also are distinguished over the prior art and reserves the opportunity to more particularly remark and distinguish such remaining claim elements at a later time should it become necessary. Further, any remarks that were made in response to an Examiner objection and/or rejection as to any one claim element, and which may have been re-asserted as applying to another Examiner objection and/or rejection as to any other claim element(s), any such re-assertion of remarks is not meant to imply that there is commonality about the structure, functionality, means, operation, and/or scope of any of the claim elements, and no such commonality is admitted as a consequence of any such re-assertion of remarks. As such, Applicant does not concede that any claim elements have been anticipated and/or rendered obvious by any of the cited reference(s). Accordingly, Applicant respectfully requests allowance, and the reconsideration and withdrawal of the rejection(s) and/or objection(s).

If a telephone conference would facilitate prosecution of this application in any way, the Examiner is invited to contact the undersigned at the number provided.

AUTHORIZATION

The Commissioner is hereby authorized and requested to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17200-020CT2. In the event that an extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17200-020CT2.

Respectfully submitted,
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Dated: May 12, 2009

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